103 d CONGRESS S. 2297

AN ACT

To facilitate obtaining foreign-located antitrust evidence by authorizing the Attorney General of the United States and the Federal Trade Commission to provide, in accordance with antitrust mutual assistance agreements, antitrust evidence to foreign antitrust authorities on a reciprocal basis; and for other purposes.

103D CONGRESS 2D SESSION

S. 2297

AN ACT

- To facilitate obtaining foreign-located antitrust evidence by authorizing the Attorney General of the United States and the Federal Trade Commission to provide, in accordance with antitrust mutual assistance agreements, antitrust evidence to foreign antitrust authorities on a reciprocal basis; and for other purposes.
 - 1 Be it enacted by the Senate and House of Representa-
 - 2 tives of the United States of America in Congress assembled,
 - 3 SECTION 1. SHORT TITLE.
 - 4 This Act may be cited as the "International Antitrust
 - 5 Enforcement Assistance Act of 1994".

1	SEC. 2. DISCLOSURE TO A FOREIGN ANTITRUST AUTHOR-
2	ITY OF ANTITRUST EVIDENCE.
3	In accordance with an antitrust mutual assistance
4	agreement in effect under this Act, subject to section 8,
5	and except as provided in section 5, the Attorney General
6	of the United States and the Federal Trade Commission
7	may provide to a foreign antitrust authority with respect
8	to which such agreement is in effect under this Act, anti-
9	trust evidence to assist the foreign antitrust authority—
10	(1) in determining whether a person has vio-
11	lated or is about to violate any of the foreign anti-
12	trust laws administered or enforced by the foreign
13	antitrust authority, or
14	(2) in enforcing any of such foreign antitrust
15	laws.
16	SEC. 3. INVESTIGATIONS TO ASSIST A FOREIGN ANTITRUST
17	AUTHORITY IN OBTAINING ANTITRUST EVI-
18	DENCE.
19	(a) Request for Investigative Assistance.—A
20	request by a foreign antitrust authority for investigative
21	assistance under this section shall be made to the Attorney
22	General, who may deny the request in whole or in part.
23	No further action shall be taken under this section with
24	respect to any part of a request that has been denied by
25	the Attorney General.

- 1 (b) AUTHORITY TO INVESTIGATE.—In accordance
- 2 with an antitrust mutual assistance agreement in effect
- 3 under this Act, subject to section 8, and except as provided
- 4 in section 5, the Attorney General and the Commission
- 5 may, using their respective authority to investigate pos-
- 6 sible violations of the Federal antitrust laws, conduct in-
- 7 vestigations to obtain antitrust evidence relating to a pos-
- 8 sible violation of the foreign antitrust laws administered
- 9 or enforced by the foreign antitrust authority with respect
- 10 to which such agreement is in effect under this Act, and
- 11 may provide such antitrust evidence to the foreign anti-
- 12 trust authority, to assist the foreign antitrust authority—
- 13 (1) in determining whether a person has vio-
- lated or is about to violate any of such foreign anti-
- 15 trust laws, or
- 16 (2) in enforcing any of such foreign antitrust
- laws.
- 18 (c) Special Scope of Authority.—An investiga-
- 19 tion may be conducted under subsection (b), and antitrust
- 20 evidence obtained through such investigation may be pro-
- 21 vided, without regard to whether the conduct investigated
- 22 violates any of the Federal antitrust laws.
- 23 (d) Rights and Privileges Preserved.—A per-
- 24 son may not be compelled in connection with an investiga-
- 25 tion under this section to give testimony or a statement,

1	or to produce a document or other thing, in violation of
2	any legally applicable right or privilege.
3	(e) Conforming Amendments.—
4	(1) Antitrust civil process act.—The Anti-
5	trust Civil Process Act (15 U.S.C. 1311 et seq.) is
6	amended—
7	(A) in section 2—
8	(i) in subsection (d)—
9	(I) by striking "or any" and in-
10	serting ", any", and
11	(II) by inserting before the semi-
12	colon "or, with respect to the Inter-
13	national Antitrust Enforcement As-
14	sistance Act of 1994, any of the for-
15	eign antitrust laws", and
16	(ii) by adding at the end the follow-
17	ing:
18	"(k) The term 'foreign antitrust laws' has the mean-
19	ing given such term in section 12 of the International
20	Antitrust Enforcement Assistance Act of 1994.", and
21	(B) in the first sentence of section 3(a)—
22	(i) by inserting "or, with respect to
23	the International Antitrust Enforcement
24	Assistance Act of 1994, an investigation

1	authorized by section 3 of such Act" after
2	"investigation", and
3	(ii) by inserting "by the United
4	States" after "proceeding".
5	(2) Federal trade commission act.—The
6	Federal Trade Commission Act (15 U.S.C. 41 et
7	seq.) is amended—
8	(A) in section 6 by inserting after sub-
9	section (h) the following:
10	"(i) With respect to the International Antitrust En-
11	forcement Assistance Act of 1994, to conduct investiga-
12	tions of possible violations of foreign antitrust laws (as
13	defined in section 12 of such Act).";
14	(B) in section 20(a) by amending para-
15	graph (8) to read as follows:
16	"(8) The term 'antitrust violation' means—
17	"(A) any unfair method of competition
18	(within the meaning of section $5(a)(1)$);
19	"(B) any violation of the Clayton Act or of
20	any other Federal statute that prohibits, or
21	makes available to the Commission a civil rem-
22	edy with respect to, any restraint upon or mo-
23	nopolization of interstate or foreign trade or
24	commerce;

1	"(C) with respect to the International
2	Antitrust Enforcement Assistance Act of 1994,
3	any violation of any of the foreign antitrust
4	laws (as defined in section 12 of such Act) with
5	respect to which a request is made under sec-
6	tion 3 of such Act; or
7	"(D) any activity in preparation for a
8	merger, acquisition, joint venture, or similar
9	transaction, which if consummated, may result
10	in any such unfair method of competition or in
11	any such violation.".
12	SEC. 4. JURISDICTION OF THE DISTRICT COURTS OF THE
13	UNITED STATES.
14	(a) AUTHORITY OF THE DISTRICT COURTS.—On the
15	application of the Attorney General made in accordance
16	with an antitrust mutual assistance agreement in effect
17	under this Act, the United States district court for the
18	district in which a person resides, is found, or transacts
19	business may order such person to give testimony or a
20	statement, or to produce a document or other thing, to
21	the Attorney General to assist a foreign antitrust author-

24 (1) in determining whether a person has vio-25 lated or is about to violate any of the foreign anti-

22 ity with respect to which such agreement is in effect under

23 this Act—

- trust laws administered or enforced by the foreign antitrust authority, or
 - (2) in enforcing any of such foreign antitrust laws.

(b) CONTENTS OF ORDER.—

- (1) USE OF APPOINTEE TO RECEIVE EVIDENCE.—(A) An order issued under subsection (a) may direct that testimony or a statement be given, or a document or other thing be produced, to a person who shall be recommended by the Attorney General and appointed by the court.
- (B) A person appointed under subparagraph
 (A) shall have power to administer any necessary
 oath and to take such testimony or such statement.
- (2) PRACTICE AND PROCEDURE.—(A) An order issued under subsection (a) may prescribe the practice and procedure for taking testimony and statements and for producing documents and other things.
- (B) Such practice and procedure may be in whole or in part the practice and procedure of the foreign state, or the regional economic integration organization, represented by the foreign antitrust authority with respect to which the Attorney General requests such order.

- 1 (C) To the extent such order does not prescribe 2 otherwise, any testimony and statements required to 3 be taken shall be taken, and any documents and 4 other things required to be produced shall be pro-5 duced, in accordance with the Federal Rules of Civil
- 6 Procedure.
- 7 (c) RIGHTS AND PRIVILEGES PRESERVED.—A person
- 8 may not be compelled under an order issued under sub-
- 9 section (a) to give testimony or a statement, or to produce
- 10 a document or other thing, in violation of any legally appli-
- 11 cable right or privilege.
- 12 (d) VOLUNTARY CONDUCT.—This section does not
- 13 preclude a person in the United States from voluntarily
- 14 giving testimony or a statement, or producing a document
- 15 or other thing, in any manner acceptable to such person
- 16 for use in an investigation by a foreign antitrust authority.
- 17 SEC. 5. LIMITATIONS ON AUTHORITY.
- Sections 2, 3, and 4 shall not apply with respect to
- 19 the following antitrust evidence:
- 20 (1) Antitrust evidence that is received by the
- 21 Attorney General or the Commission under section
- 7A of the Clayton Act (15 U.S.C. 18a), as added by
- title II of the Hart-Scott-Rodino Antitrust Improve-
- 24 ments Act of 1976. Nothing in this paragraph shall
- 25 affect the ability of the Attorney General or the

1	Commission to disclose to a foreign antitrust author-
2	ity antitrust evidence that is obtained otherwise than
3	under such section 7A.
4	(2) Antitrust evidence that is matter occurring
5	before a grand jury and with respect to which disclo-
6	sure is prevented by Federal law, except that for the
7	purpose of applying Rule 6(e)(3)(C)(iv) of the Fed-
8	eral Rules of Criminal Procedure with respect to this
9	section—
10	(A) a foreign antitrust authority with re-
11	spect to which a particularized need for such
12	antitrust evidence is shown shall be considered
13	to be an appropriate official of any of the sev-
14	eral States, and
15	(B) a foreign antitrust law administered or
16	enforced by the foreign antitrust authority shall
17	be considered to be a State criminal law.
18	(3) Antitrust evidence that is specifically au-
19	thorized under criteria established by Executive
20	Order 12356, or any successor to such order, to be
21	kept secret in the interest of national defense or for-
22	eign policy, and—
23	(A) that is classified pursuant to such

order or such successor, or

1	(B) with respect to which a determination
2	of classification is pending under such order or
3	such successor.
4	(4) Antitrust evidence that is classified under
5	section 142 of the Atomic Energy Act of 1954 (42
6	U.S.C. 2162).
7	SEC. 6. EXCEPTION TO CERTAIN DISCLOSURE RESTRIC-
8	TIONS.
9	Section 4 of the Antitrust Civil Process Act (15
10	U.S.C. 1313), and sections 6(f) and 21 of the Federal
11	Trade Commission Act (15 U.S.C. 46, 57b-2), shall not
12	apply to prevent the Attorney General or the Commission
13	from providing to a foreign antitrust authority antitrust
14	evidence in accordance with an antitrust mutual assistance
15	agreement in effect under this Act and in accordance with
16	the other requirements of this Act.
17	SEC. 7. PUBLICATION REQUIREMENTS APPLICABLE TO
18	ANTITRUST MUTUAL ASSISTANCE AGREE-
19	MENTS.
20	(a) Publication of Proposed Antitrust Mu-
21	TUAL ASSISTANCE AGREEMENTS.—Not less than 45 days
22	before an antitrust mutual assistance agreement is en-
23	tered into, the Attorney General, with the concurrence of
24	the Commission, shall publish in the Federal Register—

1	(1) the proposed text of such agreement and
2	any modification to such proposed text, and
3	(2) a request for public comment with respect
4	to such text or such modification, as the case may
5	be.
6	(b) Publication of Proposed Amendments to
7	ANTITRUST MUTUAL ASSISTANCE AGREEMENTS IN EF-
8	FECT.—Not less than 45 days before an agreement is en-
9	tered into that makes an amendment to an antitrust mu-
10	tual assistance agreement, the Attorney General, with the
11	concurrence of the Commission, shall publish in the Fed-
12	eral Register—
13	(1) the proposed text of such amendment, and
14	(2) a request for public comment with respect
15	to such amendment.
16	(c) Publication of Antitrust Mutual Assist-
17	ANCE AGREEMENTS, AMENDMENTS, AND TERMI-
18	NATIONS.—Not later than 45 days after an antitrust mu-
19	tual assistance agreement is entered into or terminated,
20	or an agreement that makes an amendment to an anti-
21	trust mutual assistance agreement is entered into, the At-
22	torney General, with the concurrence of the Commission,
23	shall publish in the Federal Register—

1	(1) the text of the antitrust mutual assistance
2	agreement or amendment, or the terms of the termi-
3	nation, as the case may be, and
4	(2) in the case of an agreement that makes an
5	amendment to an antitrust mutual assistance agree-
6	ment, a notice containing—
7	(A) citations to the locations in the Fed-
8	eral Register at which the text of the antitrust
9	mutual assistance agreement that is so amend-
10	ed, and of any previous amendments to such
11	agreement, are published, and
12	(B) a description of the manner in which
13	a copy of the antitrust mutual assistance agree-
14	ment, as so amended, may be obtained from the
15	Attorney General and the Commission.
16	(d) Condition for Validity.—An antitrust mutual
17	assistance agreement, or an agreement that makes an
18	amendment to an antitrust mutual assistance agreement,
19	with respect to which publication does not occur in accord-
20	ance with subsections (a), (b), and (c) shall not be consid-
21	ered to be in effect under this Act.
22	SEC. 8. CONDITIONS ON USE OF ANTITRUST MUTUAL AS
23	SISTANCE AGREEMENTS.
24	(a) Determinations.—Neither the Attorney Gen-
25	eral nor the Commission may conduct an investigation

- under section 3, apply for an order under section 4, or
 provide antitrust evidence to a foreign antitrust authority
 under an antitrust mutual assistance agreement, unless
- 4 the Attorney General or the Commission, as the case may
- 5 be, determines in the particular instance in which the in-
- 6 vestigation, application, or antitrust evidence is requested
- 7 that—

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- (1) the foreign antitrust authority—
- 9 (A) will satisfy the assurances, terms, and 10 conditions described in subparagraphs (A), (B), 11 and (E) of section 12(2), and
 - (B) is capable of complying with and will comply with the confidentiality requirements applicable under such agreement to the requested antitrust evidence,
 - (2) providing the requested antitrust evidence will not violate section 5, and
 - (3) conducting such investigation, applying for such order, or providing the requested antitrust evidence, as the case may be, is consistent with the public interest of the United States, taking into consideration, among other factors, whether the foreign state or regional economic integration organization represented by the foreign antitrust authority holds any proprietary interest that could benefit or other-

- wise be affected by such investigation, by the grant-
- 2 ing of such order, or by the provision of such anti-
- 3 trust evidence.
- 4 (b) Limitation on Disclosure of Certain Anti-
- 5 TRUST EVIDENCE.—Neither the Attorney General nor the
- 6 Commission may disclose in violation of an antitrust mu-
- 7 tual assistance agreement any antitrust evidence received
- 8 under such agreement, except that such agreement may
- 9 not prevent the disclosure of such antitrust evidence to
- 10 a defendant in an action or proceeding brought by the At-
- 11 torney General or the Commission for a violation of any
- 12 of the Federal laws if such disclosure would otherwise be
- 13 required by Federal law.
- 14 (c) Required Disclosure of Notice Re-
- 15 CEIVED.—If the Attorney General or the Commission re-
- 16 ceives a notice described in section 12(2)(H), the Attorney
- 17 General or the Commission, as the case may be, shall
- 18 transmit such notice to the person that provided the evi-
- 19 dence with respect to which such notice is received.
- 20 SEC. 9. LIMITATIONS ON JUDICIAL REVIEW.
- 21 (a) Determinations.—Determinations made under
- 22 paragraphs (1) and (3) of section 8(a) shall not be subject
- 23 to judicial review.
- 24 (b) CITATIONS TO AND DESCRIPTIONS OF CON-
- 25 FIDENTIALITY LAWS.—Whether an antitrust mutual as-

- 1 sistance agreement satisfies section 12(2)(C) shall not be
- 2 subject to judicial review.
- 3 (c) Rules of Construction.—
- 4 (1) Administrative procedure act.—The
- 5 requirements in section 7 with respect to publication
- 6 and request for public comment shall not be con-
- 7 strued to create any availability of judicial review
- 8 under chapter 7 of title 5 of the United States Code.
- 9 (2) Laws Referenced in Section 5.—Noth-
- ing in this section shall be construed to affect the
- availability of judicial review under laws referred to
- in section 5.
- 13 SEC. 10. PRESERVATION OF EXISTING AUTHORITY.
- 14 (a) IN GENERAL.—The authority provided by this
- 15 Act is in addition to, and not in lieu of, any other author-
- 16 ity vested in the Attorney General, the Commission, or any
- 17 other officer of the United States.
- 18 (b) Attorney General and Commission.—This
- 19 Act shall not be construed to modify or affect the alloca-
- 20 tion of responsibility between the Attorney General and
- 21 the Commission for the enforcement of the Federal anti-
- 22 trust laws.
- 23 SEC. 11. REPORT TO THE CONGRESS.
- In the 30-day period beginning 3 years after the date
- 25 of the enactment of this Act and with the concurrence of

- 1 the Commission, the Attorney General shall submit, to the
- 2 Speaker of the House of Representatives and the Presi-
- 3 dent pro tempore of the Senate, a report—
- 4 (1) describing how the operation of this Act has 5 affected the enforcement of the Federal antitrust 6 laws,
 - (2) describing the extent to which foreign antitrust authorities have complied with the confidentiality requirements applicable under antitrust mutual assistance agreements in effect under this Act,
 - (3) specifying separately the identities of the foreign states, regional economic integration organizations, and foreign antitrust authorities that have entered into such agreements and the identities of the foreign antitrust authorities with respect to which such foreign states and such organizations have entered into such agreements,
 - (4) specifying the identity of each foreign state, and each regional economic integration organization, that has in effect a law similar to this Act,
 - (5) giving the approximate number of requests made by the Attorney General and the Commission under such agreements to foreign antitrust authorities for antitrust investigations and for antitrust evidence.

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- 1 (6) giving the approximate number of requests 2 made by foreign antitrust authorities under such 3 agreements to the Attorney General and the Com-4 mission for investigations under section 3, for orders 5 under section 4, and for antitrust evidence, and
 - (7) describing any significant problems or concerns of which the Attorney General is aware with respect to the operation of this Act.

9 SEC. 12. DEFINITIONS.

- 10 For purposes of this Act:
 - (1) The term "antitrust evidence" means information, testimony, statements, documents, or other things that are obtained in anticipation of, or during the course of, an investigation or proceeding under any of the Federal antitrust laws or any of the foreign antitrust laws.
 - (2) The term "antitrust mutual assistance agreement" means a written agreement, or written memorandum of understanding, that is entered into by the United States and a foreign state or regional economic integration organization (with respect to the foreign antitrust authorities of such foreign state or such organization, and such other governmental entities of such foreign state or such organization as the Attorney General and the Commission jointly de-

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- termine may be necessary in order to provide the assistance described in subparagraph (A)), or jointly by the Attorney General and the Commission and a foreign antitrust authority, for the purpose of conducting investigations under section 3, applying for orders under section 4, or providing antitrust evidence, on a reciprocal basis and that includes the following:
 - (A) An assurance that the foreign antitrust authority will provide to the Attorney General and the Commission assistance that is comparable in scope to the assistance the Attorney General and the Commission provide under such agreement or such memorandum.
 - (B) An assurance that the foreign antitrust authority is subject to laws and procedures that are adequate to maintain securely the confidentiality of antitrust evidence that may be received under section 2, 3, or 4 and will give protection to antitrust evidence received under such section that is not less than the protection provided under the laws of the United States to such antitrust evidence.
 - (C) Citations to and brief descriptions of the laws of the United States, and the laws of

the foreign state or regional economic integration organization represented by the foreign antitrust authority, that protect the confidentiality of antitrust evidence that may be provided under such agreement or such memorandum. Such citations and such descriptions shall include the enforcement mechanisms and penalties applicable under such laws and, with respect to a regional economic integration organization, the applicability of such laws, enforcement mechanisms, and penalties to the foreign states composing such organization.

- (D) Citations to the Federal antitrust laws, and the foreign antitrust laws, with respect to which such agreement or such memorandum applies.
- (E) Terms and conditions that specifically require using, disclosing, or permitting the use or disclosure of, antitrust evidence received under such agreement or such memorandum only—
 - (i) for the purpose of administering or enforcing the foreign antitrust laws involved, or

1	(ii) with respect to a specified disclo-
2	sure or use requested by a foreign anti-
3	trust authority and essential to a signifi-
4	cant law enforcement objective, in accord-
5	ance with the prior written consent that
6	the Attorney General or the Commission,
7	as the case may be, gives after—
8	(I) determining that such anti-
9	trust evidence is not otherwise readily
10	available with respect to such objec-
11	tive,
12	(II) making the determinations
13	described in paragraphs (2) and (3) of
14	section 8(a), with respect to such dis-
15	closure or use, and
16	(III) making the determinations
17	applicable to a foreign antitrust au-
18	thority under section $8(a)(1)$ (other
19	than the determination regarding the
20	assurance described in subparagraph
21	(A) of this paragraph), with respect to
22	each additional governmental entity, if
23	any, to be provided such antitrust evi-
24	dence in the course of such disclosure
25	or use, after having received adequate

1	written assurances applicable to each
2	such governmental entity.
3	(F) An assurance that antitrust evidence
4	received under section 2, 3, or 4 from the At-
5	torney General or the Commission, and all cop-
6	ies of such evidence, in the possession or control
7	of the foreign antitrust authority will be re-
8	turned to the Attorney General or the Commis-
9	sion, respectively, at the conclusion of the for-
10	eign investigation or proceeding with respect to
11	which such evidence was so received.
12	(G) Terms and conditions that specifically
13	provide that such agreement or such memoran-
14	dum will be terminated if—
15	(i) the confidentiality required under
16	such agreement or such memorandum is
17	violated with respect to antitrust evidence,
18	and
19	(ii) adequate action is not taken both
20	to minimize any harm resulting from the
21	violation and to ensure that the confiden-
22	tiality required under such agreement or
23	such memorandum is not violated again.
24	(H) Terms and conditions that specifically
25	provide that if the confidentiality required

1	under such agreement or such memorandum is
2	violated with respect to antitrust evidence, no-
3	tice of the violation will be given—
4	(i) by the foreign antitrust authority
5	promptly to the Attorney General or the
6	Commission with respect to antitrust evi-
7	dence provided by the Attorney General or
8	the Commission, respectively, and
9	(ii) by the Attorney General or the
10	Commission to the person (if any) that
11	provided such evidence to the Attorney
12	General or the Commission.
13	(3) The term "Attorney General" means the
14	Attorney General of the United States.
15	(4) The term "Commission" means the Federal
16	Trade Commission.
17	(5) The term "Federal antitrust laws" has the
18	meaning given the term "antitrust laws" in sub-
19	section (a) of the first section of the Clayton Act (15
20	U.S.C. 12(a)) but also includes section 5 of the Fed-
21	eral Trade Commission Act (15 U.S.C. 45) to the
22	extent that such section 5 applies to unfair methods
23	of competition.
24	(6) The term "foreign antitrust authority"
25	means a governmental entity of a foreign state or of

- a regional economic integration organization that is vested by such state or such organization with authority to enforce the foreign antitrust laws of such state or such organization.
 - (7) The term "foreign antitrust laws" means the laws of a foreign state, or of a regional economic integration organization, that are substantially similar to any of the Federal antitrust laws and that prohibit conduct similar to conduct prohibited under the Federal antitrust laws.
 - (8) The term "person" has the meaning given such term in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)).
 - (9) The term "regional economic integration organization" means an organization that is constituted by, and composed of, foreign states, and on which such foreign states have conferred sovereign authority to make decisions that are binding on such foreign states, and that are directly applicable to and binding on persons within such foreign states, including the decisions with respect to—
 - (A) administering or enforcing the foreign antitrust laws of such organization, and
- (B) prohibiting and regulating disclosure of information that is obtained by such organi-

- zation in the course of administering or enforcing such laws.
- 3 SEC. 13. AUTHORITY TO RECEIVE REIMBURSEMENT.
- 4 The Attorney General and the Commission are au-
- 5 thorized to receive from a foreign antitrust authority, or
- 6 from the foreign state or regional economic integration or-
- 7 ganization represented by such foreign antitrust authority,
- 8 reimbursement for the costs incurred by the Attorney Gen-
- 9 eral or the Commission, respectively, in conducting an in-
- 10 vestigation under section 3 requested by such foreign anti-
- 11 trust authority, applying for an order under section 4 to
- 12 assist such foreign antitrust authority, or providing anti-
- 13 trust evidence to such foreign antitrust authority under
- 14 an antitrust mutual assistance agreement in effect under
- 15 this Act with respect to such foreign antitrust authority.

Passed the Senate October 7 (legislative day, September 12), 1994.

Attest:

Secretary.

- S 2297 ES——2
- S 2297 ES——3
- S 2297 ES——4
- S 2297 ES——5